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**LOUISIANA WILDLIFE AND FISHERIES  
FOUNDATION**

**BATON ROUGE, LOUISIANA**

**DECEMBER 31, 2006**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/5/07

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management of  
Louisiana Wildlife and Fisheries Foundation

I have audited the accompanying statement of financial position of Louisiana Wildlife and Fisheries Foundation as of December 31, 2006, and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. My responsibility is to express an opinion on these financial statements based on my audit.

The financial statements of Louisiana Wildlife as of December 31, 2005, were audited by other auditors whose report dated June 16, 2006, expressed an unqualified opinion on those statements.

I conducted by audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Wildlife and Fisheries Foundation as of December 31, 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have issued our report dated May 10, 2007, on my consideration of Louisiana Wildlife and Fisheries Foundation's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

*Latuso, Inc.*

May 10, 2007

**LOUISIANA WILDLIFE AND FISHERIES FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**

*December 31, 2006 and 2005*

	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
Cash	\$ 717,323	\$ 121,066
Time deposits	3,720,783	500,000
Contributions receivable	-	50,000
Accrued interest receivable	44,627	1,288
Amounts due under consent decree	-	1,700,000
Office equipment, net of depreciation	2,731	-
Total assets	<u>\$ 4,485,464</u>	<u>\$ 2,372,354</u>
 <b>LIABILITIES</b>		
Account payable	\$ 50,733	\$ 50,000
Total liabilities	<u>50,733</u>	<u>50,000</u>
 <b>NET ASSETS</b>		
Unrestricted	\$ 650,228	541,775
Temporarily restricted	3,784,503	1,780,579
Total net assets	<u>4,434,731</u>	<u>2,322,354</u>
Total liabilities and net assets	<u>\$ 4,485,464</u>	<u>\$ 2,372,354</u>

*See accompanying notes to financial statements.*

# LOUISIANA WILDLIFE AND FISHERIES FOUNDATION

## STATEMENT OF ACTIVITIES

Year Ended December 31, 2006

(with comparative totals for 2005)

	2006			2005
	Unrestricted	Temporarily Restricted	Combined Total	Combined Total
<b>REVENUES AND RECLASSIFICATIONS</b>				
Contributions	\$ 24,893	\$ 631,627	\$ 656,520	\$ 151,941
Proceeds from consent decrees	-	2,000,000	2,000,000	1,700,000
Interest	164,980	-	164,980	17,064
Total revenues before reclassifications	189,873	2,631,627	2,821,500	1,869,005
Net assets released from restrictions	627,703	(627,703)	-	-
Total revenues and reclassifications	817,576	2,003,924	2,821,500	1,869,005
<b>EXPENSES</b>				
Grants (Projects)	632,617	-	632,617	56,089
Other program expenses	43,956	-	43,956	83,181
Total program expenses	676,573	-	676,573	139,270
Management and general expenses	13,618	-	13,618	1,725
Fundraising expenses	18,932	-	18,932	-
Total management and general expenses	32,550	-	32,550	1,725
Total expenses	709,123	-	709,123	140,995
<b>INCREASE IN NET ASSETS</b>	108,453	2,003,924	2,112,377	1,728,010
Net assets - beginning of year	541,775	1,780,579	2,322,354	594,344
Net assets - end of year	\$ 650,228	\$ 3,784,503	\$ 4,434,731	\$ 2,322,354

See accompanying notes to financial statements.

**LOUISIANA WILDLIFE AND FISHERIES FOUNDATION**  
**STATEMENT OF CASH FLOWS**

*Years Ended December 31, 2006 and 2005*

	<u>2006</u>	<u>2005</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 2,112,377	\$ 1,728,010
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	304	-
Decrease (increase) in receivables	6,661	(51,288)
Amounts due under consent decree	1,700,000	(1,700,000)
Increase in accounts payable	733	50,000
	<u>1,707,698</u>	<u>(1,701,288)</u>
Net cash provided by operating activities	<u>3,820,075</u>	<u>26,722</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of office equipment	(3,035)	-
Acquisition of time deposits	<u>(3,220,783)</u>	<u>(100,000)</u>
Net cash used in investing activities	<u>(3,223,818)</u>	<u>(100,000)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<u>-</u>	<u>-</u>
<b>NET DECREASE IN CASH</b>	596,257	(73,278)
Cash - beginning of year	<u>121,066</u>	<u>194,344</u>
Cash - end of year	<u>\$ 717,323</u>	<u>\$ 121,066</u>

*See accompanying notes to financial statements.*

**LOUISIANA WILDLIFE AND  
FISHERIES FOUNDATION  
NOTES TO FINANCIAL STATEMENTS**

*December 31, 2006*

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Nature of activities*

The Louisiana Wildlife and Fisheries Foundation (the Foundation) was incorporated in Louisiana on August 8, 1996. The Foundation was organized solely for the benefit of, and in connection with the work of the Louisiana Department of Wildlife and Fisheries (the Department) and the Louisiana Wildlife and Fisheries Commission (the Commission) including promotion, development, expansion and improvement of the facilities of the Department and Commission. The Foundation exists to encourage public conservation and enjoyment of wildlife and fish resources, and to increase the usefulness of the Department and Commission to the citizens of the state of Louisiana. The Foundation provides a means for individuals and corporations to become partners with the Department and Commission in the conservation of Louisiana's fish and wildlife resources, and has spearheaded a multitude of projects including cooperative endeavors with state and federal agencies and the private sector for fish and wildlife enhancement.

*Basis of presentation*

The financial statements have been prepared on the accrual basis of accounting.

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Unrestricted net assets are resources that are free of donor-imposed or time restrictions and are available at the direction of the governing board. Temporarily restricted net assets are resources that are limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the organization pursuant to those stipulations. Permanently restricted net assets are those resources whose use by the organization is limited to donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Foundation. The Foundation does not currently have any permanently restricted net assets.

*Cash and cash equivalents*

Cash equivalents consist of cash balances other than those classified as time deposits which may have maturities of three months or less. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

**LOUISIANA WILDLIFE AND  
FISHERIES FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
*December 31, 2006*

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Contributions*

The Foundation reports gifts of cash and other assets as restricted contributions when they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (such as when the stipulated time restriction ends or the purpose of the restriction is accomplished), temporarily restricted net assets are released to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Net assets are primarily released from donor restrictions after the purpose of the restriction is accomplished.

*Accounting estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

*Gifts of marketable securities and other items*

Gifts of marketable securities and other non cash items are recorded as contributions at their fair values at the date of donation.

*Donated services*

No amounts have been reflected in the financial statements for donated services. The Foundation pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Foundation with its activities, especially the Board of Directors.

*Cash and cash equivalents*

For purposes of the statement of cash flows, the Foundation does not consider time deposits with maturities of ninety days or less when acquired to be cash equivalents.

*Fixed assets and depreciation*

Fixed assets are recorded at cost. Depreciation is recognized on the straight-line method over estimated service lives of five years.

*Grants*

Grants are recorded as expenses when they are approved by the Board of Directors for payment.

**LOUISIANA WILDLIFE AND  
FISHERIES FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
*December 31, 2006*

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Functional expense*

Functional expenses not directly attributable are allocated between program, management and general, and fund-raising expenses based upon an estimate of employee time spent on each function. Management and general expenses include those expenses that are not directly identifiable with other specific functions but provide for the overall support and direction of the Foundation

*Income tax status*

Louisiana Wildlife and Fisheries Foundation is a nonprofit corporation which has qualified as such under sections 501(c)(3) and 170(b)(1)(A)(vi) of the Internal Revenue Code and is not subject to federal or state income taxes.

*Comparative financial information*

The statement of activities and cash flows include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the financial statements for the year ended December 31, 2005 from which the summarized was derived.

*Reclassifications*

Certain amounts in the 2005 financial statements have been reclassified to conform to the 2006 presentation.

**B: PROCEEDS OF CONSENT DECREE**

On December 13, 2005, a consent decree between Exxon Mobil Corporation and the US Environmental Protection Agency and the Louisiana Department of Environmental Quality awarded the Foundation \$1,700,000 to be used exclusively for the acquisition of coastal lands which are: (a) important as fish and wildlife habitat, or (b) important to the enhancement of the state's coastal restoration effort, or both. Once acquisition of the above reference lands has been accomplished, the Foundation will execute an act (or acts) of donations(s) of said lands to the Department and the Commission.

On April 28, 2006, a consent decree between Chalmette Refining, L.L.C. and the Louisiana Department of Environmental Quality awarded the Foundation \$2,000,000 to be used for the same purposes and with the same stipulations outlined in the preceding paragraph

**LOUISIANA WILDLIFE AND  
FISHERIES FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
*December 31, 2006*

**C: CONTRIBUTION RECEIVABLE**

The contribution receivable at December 31, 2005 of \$50,000 was due in one year or less.

**D: OFFICE EQUIPMENT**

Office equipment is as follows:

	<u>2006</u>	<u>2005</u>
Office equipment	\$3,035	\$ -
Less accumulated depreciation	<u>304</u>	<u>-</u>
	<u>\$2,731</u>	<u>\$ -</u>
Depreciation expense	<u>\$ 304</u>	<u>\$ -</u>

**E: GRANT PAYABLE**

The grants approved and committed for future payment at December 31, 2006 and 2005 were paid during the following year.

**F: NET ASSETS**

Temporarily restricted net assets consist of the following:

	<u>2006</u>	<u>2005</u>
Various wildlife and fisheries projects	\$ 84,478	\$ 76,251
Hurricane relief fund	25	4,328
Proceeds from Exxon Mobil consent decree	1,700,000	1,700,000
Proceeds from Calmed Refining, LLC consent decree	<u>2,000,000</u>	<u>-</u>
	<u>\$3,784,503</u>	<u>\$1,780,579</u>

**LOUISIANA WILDLIFE AND  
FISHERIES FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
*December 31, 2006*

**G: CONCENTRATIONS OF CREDIT RISK**

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist of cash and time deposits. The Foundation maintains deposits in financial institutions located in the state of Louisiana and at times account balances may exceed federally insured limits.

At December 31, 2006, account balances in excess of the federally insured limits totaled \$3,426,471.

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## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors and Management of  
Louisiana Wildlife and Fisheries Foundation

I have audited the financial statements of Louisiana Wildlife and Fisheries Foundation as of and for the year ended December 31, 2006, and have issued my report thereon dated May 10, 2007. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered Louisiana Wildlife and Fisheries Foundation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Organization's financial statements that is more than inconsequential will not be prevented or detected by the Organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Wildlife and Fisheries Foundation's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors and management of Louisiana Wildlife and Fisheries Foundation and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana R. S. 24:513, this report is distributed by the Legislative Auditor as a public document.

*Latuso, Inc.*

May 10, 2007

**LOUISIANA WILDLIFE AND FISHERIES FOUNDATION**  
**SCHEDULE OF AUDIT RESULTS AND FINDINGS**  
Year Ended December 31, 2006

**SUMMARY OF AUDIT RESULTS**

1. The auditor expresses an unqualified opinion on the financial statements of the Louisiana Wildlife and Fisheries Foundation.
2. Except for the below finding, there are no other control deficiencies relating to the audit of the financial statement of the Louisiana Wildlife and Fisheries Foundation are reported in the "Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*."
3. No instances of non compliance material to the financial statements of the Louisiana Wildlife and Fisheries Foundation were disclosed during the audit.
4. There were no Federal or State awards received during the year.
5. There was no compensation paid to any member of the Board of Directors.
6. A management letter was not issued in conjunction with this engagement.

**FINDING – FINANCIAL STATEMENT AUDIT**

**INTERNAL CONTROL DEFICIENCY**

The results of my tests disclosed that monies received are not always deposited timely. Upon receipt of a check, the Executive Director mails the checks to the Treasurer, who may be temporarily unavailable. This results in checks being deposited several weeks after the first time received.

**Recommendation:** The checks should be deposited or mailed directly to the bank by the Executive Director, with a copy forwarded to the Treasurer. In addition the checks should be stamped "FOR DEPOSIT ONLY" immediately upon receipt.

**Response:** The Executive Director concurs with the above recommendation.